

Message Text

LIMITED OFFICIAL USE

PAGE 01 LIMA 06218 042149Z

66

ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 COME-00 INT-05 PA-01 PRS-01

USIA-06 CIAE-00 INR-07 NSAE-00 OPIC-03 H-02 SIL-01

LAB-04 OES-03 /051 W

----- 073986

R 041820Z AUG 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 6164

LIMITED OFFICIAL USE LIMA 6218

EO 11652: NA

TAGS: EINV, EMIN, PFOR, PE

SUBJ: PRESS COMMENTARY ON NORTHERN PERU MINING CORP PROPOSAL

REF: A. LIMA 6138; B. LIMA 5675

1. "LA PRENSA" OF AUGUST 1 CARRIED EDITORIAL ENTITLED "NORTHERN PERU IS LEAVING". AUTHOR, IDENTIFIED ONLY AS "L.C." MAKES POINT THAT A COMMUNIQUE OF THE MINING COMPENSATION COMMUNITY RECENTLY STATED THAT NPMC PLANS TO LEAVE PERU BY SEPTEMBER 1. ACCORDING TO AUTHOR, THE COMMUNIQUE NOTES THAT THE OFFER OF A TRANSFER SHOULD INCLUDE "JUST COMPENSATION". AUTHOR THEN QUESTIONS WHY NPMC MIGHT WISH TO LEAVE THE COUNTRY, AND MAKES REFERENCE TO FACT THAT THE SALE OF CONCENTRATES IS COMPLICATED BY FACT THAT THEY CONTAIN ARSENIC, WHICH IS SOLD TO U.S. SMELTER WHICH NOW HAS PROBLEMS WITH ENVIRONMENTAL CONTROL REGULATIONS AND THEREFORE, "DOES NOT AT THE PRESENT TIME HAVE A MEANS OF SELLING ITS ORE." THIS, CONCLUDES THE AUTHOR, IS THE RATIONALE FOR THE TRANSFER OF THE MINE.

3. THE AUTHOR THEN ASKS IF IT WOULD BE ECONOMIC FOR THE COUNTRY TO SMELT CONCENTRATES IN ILO OR CENTROMIN. "AND TO THIS WE MUST ADD THE PRESUMED COMPENSATION WHICH (NORTHERN) WHICH IS A SUBSIDIARY OF

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LIMA 06218 042149Z

AMERICAN SMELTING, WHICH IN TURN CONTROLS SOUTHERN

PERU." THE AUTHOR THEN CONCLUDES THAT THE GOP UNDOUBTEDLY HAS FORESEEN THE NECESSARY STEPS TO TAKE IN ORDER TO MAKE A DECISION WHICH BEST SUITS THE COUNTRY, "AS OCCURRED IN THE CASE OF OTHER IMPERIALIST ENTERPRISES, SUCH AS MARCONA." THUS IT SEEMS, SAYS "L.C.," THAT THE WORKERS HAVE REQUESTED THE CLOSURE OF THE MINE AND THEIR INCLUSION WITHIN SOUTHERN PERU."

4. COMMENT: FRANK ARCHIBALD OF SOUTHERN PERU, WHO CALLED ON THE AMBASSADOR THE AFTERNOON OF AUGUST 1 (SEE SEPTTEL), COMMENTED TO US THAT THIS ARTICLE APPEARED TO BE ESTABLISHING GROUNDWORK FOR TRANSFER OF THE MINE TO THE GOP, WITH THE POSSIBILITY THAT SPCC MAY PICK UP A FEW OF THE 1,800 NPMC WORKERS. HE ALSO SAID HE WAS NOT DISPLEASED BY RELATIVELY MODERATE TONE OF THE ARTICLE. ARCHIBALD SAID THAT WHILE THE ILO REFINERY COULD PHYSICALLY PROCESS THE HIGH ARSENIC CONCENTRATES FROM NPMC THAT THIS WOULD BE VERY UNDESIRABLE, SINCE THE SALABILITY OF THE TOQUEPALA AND CUAJONE BLISTER WOULD BE ADVERSELY AFFECTED.

5. THE TENOR OF THE ARTICLE ITSELF LEADS US TO CONCLUDE THAT THE AUTHOR BASED HIS CONCLUSIONS ON INFORMATION RECEIVED FROM THE GOP AND NOT DIRECTLY FROM THE MINING COMMUNITY OF NPMC. HE FAILS TO MENTION THE FACT THAT THE WORKERS DO NOT WANT THE MINE TO REVERT TO THE STATE. HE ALSO MAKES ARGUMENTS WHICH STEIN THOUGHT MIGHT BE MADE BY COMPANY OPPONENTS, I.E., THAT NPMC IS DUMPING UNPROFITABLE MINE INTO PERUVIAN HANDS AND THAT, CONSEQUENTLY, THE CONCENTRATES MIGHT HAVE TO BE PROCESSED AT ILO, ALTHOUGH ARCHIBALD, AS NOTED ABOVE, DISCOUNTS THIS LIKELIHOOD. IT APPEARS THAT THIS ARTICLE MAY INDICATE THE BEGINNING OF A CAMPAIGN TO PREPARE PUBLIC FOR TRANSFER OF THE MINE TO GOP, WITH A CAMPAIGN TO BLAME NPMC AND ASARCO AND, BY IMPLICATION, SPCC, FOR VARIOUS "IMPERIALIST ACTS" AS WELL.

6. SINCE DRAFTING ABOVE, "LA CRONICA" (NOW MANAGED BY THE PRESIDENTIAL PALACE) HEADLINED ARTICLE ON SUNDAY, AUGUST 3, "NORTHERN PERU ASKS TO BE TRANSFERRED TO THE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LIMA 06218 042149Z

STATE." ARTICLE CITED MEMO STEIN GAVE TO MINISTRY OF ENERGY AND MINES ON JULY 7 IN WHICH NPMC NOTED LOW COPPER PRICES AND ENVIRONMENTAL CONTROL REGULATIONS AT TACOMA SMELTER AS REASONS FOR ASARCO TO CLOSE MINE BY SEPTEMBER 1. ARTICLE THEN NOTED "IN THE CASE THAT MINEROPERU OR ANOTHER PERUVIAN AGENCY DOES NOT TAKE CONTROL OF THE MINE, NPMC NOTES THAT IT WILL BE OBLIGED TO CEASE ITS PRODUCTION, CAUSING A SOCIO-ECONOMIC PROBLEM WHICH WOULD AFFECT

PARTICULARLY ALL OF THE PEOPLE OF QUIRUVILCA." AFTER
RECITING EARLY HISTORY OF MINE, ARTICLE CONCLUDES BY
NOTING THAT "IN RECENT YEARS, NPMC INCREASED PRODUCTION
BY USING THREE SHIFTS OF WORKERS, USING A LABOR POLICY
WHICH HARMED THE WORKERS AND THEIR FAMILIES." THIS
ARTICLE WHOULD SEEM TO CONFIRM CONCLUSION IN PARA 5 THAT
GOP PLANS TO BLAME NPMC FOR VARIOUS AGGRESSIVE ACTS,
WHILE GOP DECIDES HOW TO HANDLE THE PROBLEM.
DEAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN INVESTMENT, COMPENSATION, MINING INDUSTRY, CLOSURE OF OFFICES
Control Number: n/a
Copy: SINGLE
Draft Date: 04 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LIMA06218
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750269-0236
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750885/aaaacxkn.tel
Line Count: 124
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 LIMA 6138, 75 LIMA 5675
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 12 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 SEP 2003 by CunninFX>; APPROVED <20 OCT 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESS COMMENTARY ON NOTHERN PERU MINING CORP PROPOSAL
TAGS: EINV, EMIN, PFOR, PE, NOTHERN PERU MINING CORP
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006